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SUBJECT: BRAZIL: NEC Hubbard and DOC Gutierrez with Casa Civil  
Rousseff and MDIC Jorge October 10, 2007

¶1. (SBU) SUMMARY: The meeting between Casa Civil Dilma Rousseff, MDIC Secretary Jorge, Secretary of Commerce Gutierrez, NEC Director Hubbard, DPA/DNSA Price and Ambassador Sobel focused primarily on Doha. Both sides agreed we must seize the moment to come to closure on a Doha agreement. The delegation discussed the CEO Forum and both sides endorsed the value and significance of the Brazilian and American private sector coming together to recommend priorities jointly to governments. The group briefly discussed US-Brazil work to develop a regional infrastructure initiative. END SUMMARY

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¶2. (SBU) The meeting between Casa Civil Dilma Rousseff, MDIC Secretary Jorge, Secretary of Commerce Gutierrez, NEC Director

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Hubbard, DPA/DNSA Price and Ambassador Sobel focused primarily on Doha. Secretary Gutierrez said we had an enormous once-in-a-generation opportunity to create jobs, lift people out of poverty (perhaps 500 million), create prosperity, and bring hope. Nothing else could do as much for world prosperity and alleviation of poverty. Many countries looked to Brazil as a leader of the developing world; he hoped Brazil would exercise its leadership now and, in so doing, leave a powerful positive legacy.

¶3. (SBU) Al Hubbard emphasized the President's commitment to Doha, and that he is "absolutely passionate about free and open markets" because he has seen how they raise the standard of living. The President recognizes that reaching a Doha agreement is difficult and requires leadership by "Europe, Brazil, India, and especially Brazil and the United States." The President meets regularly with USTR Schwab, and he pushes her to stretch and find solutions, and we needed President Lula to have a similar engagement with his negotiator. The U.S. had stretched to agree to the chairs texts in Agriculture and NAMA, and had encouraged APEC to accept them as well. Hubbard noted that we interpreted the October 9 paper submitted in Geneva by Brazil and other countries as a step backward from where Presidents Bush and Lula were when they met on the margins of the UN General Assembly. We interpreted the paper as saying that Brazil didn't support the current text and as indicating that agriculture would have to be done before services and NAMA. Hubbard encouraged Chief of Staff Rousseff to encourage President Lula to (1) be engaged and (2) show leadership.  
(SBU) Dan Price noted the good spirit that existed between our presidents at UNGA. Though President Lula hadn't committed to the ranges and flexibilities in the text, the spirit was one of working together to bring Doha to a successful conclusion. The October 9 paper "took the wind out of the sails" of the negotiations and he asked whether Brazil was still interested in the success of Doha. When our two presidents meet, he added, they understand each other and agree, but when our trade ministers meet, that sense of commitment is lacking from the Brazilian side. Our president was encouraging USTR Schwab, and so we hoped President Lula would talk with Foreign Minister Amorim.

14. (SBU) Chief of Staff Rousseff agreed that there was a "crystal clear understanding" between our presidents that Doha would have a highly favorable impact for the world and that this was an historic, groundbreaking opportunity. Brazil believed a successful Doha conclusion would lead to qualitatively different relations between nations and create fairer and more just rules of trade. Brazil is committed to Doha, she affirmed, and Lula recognized that negotiations would soon move beyond the ministerial level to the prime minister and presidential level. At the same time, Foreign Minister Amorim was well instructed by Lula. He fully understood how important it was for the world for Doha to succeed. Rousseff added that President Lula reads President Bush's deep pro-Doha interest as a unique opportunity. She and President Lula agreed that now is our window of opportunity and that we have the conditions (including the US president's commitment and the personal sense of trust between the two presidents) in place to conclude the Round successfully. Brazil recognized that there might not be another opportunity in the near term. Still, for a successful conclusion, Brazil insisted that there not be asymmetries. The problem was that no one wants to give in first. Brazil agreed that we must move forward clearly and give signals at the right moment. Rousseff pointed to Brazil's upcoming meetings with India and South Africa as an opportunity to make progress. Rousseff promised to convey to President Lula what Gutierrez, Hubbard, and Price had said. She acknowledged that we must all seize the moment before us to make Doha a success. NOTE: Lula re-affirmed this commitment later that night at the dinner he hosted for the CEO FORUM. END NOTE

#### CEO FORUM

15. (SBU) Secretary Gutierrez emphasized the importance of this Forum for being private-sector led and aimed at helping both governments create an environment conducive to trade, investment, and job creation. He emphasized the importance of the joint business community coming to governments and attesting: "This is what we

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want." He noted that Spanish companies were more active in Brazil than US ones, thus far, and said there was enormous potential for greater involvement by US companies. Al Hubbard said the India CEO Forum, in which he was also involved, had been successful. He looked forward to the CEO Forum for the important ideas it would offer our governments. Rousseff agreed that the US-Brazilian trade and investment relationship fell far short of its potential, given the size of the two countries and our historic closeness. With the CEO Forum, we were opening a new door.

#### INFRASTRUCTURE

16. (SBU) With respect to increasing investment in infrastructure, Secretary Gutierrez expressed USG interest in helping Brazil, if the

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GOB believed it could use help, with technical capacity-building and by involving OPIC, ExImbank and others. Ambassador Sobel closed the meeting by referencing the Brazilian planning ministry officials' meeting at Treasury in early October on infrastructure. He was optimistic that with the ministry's continued interest, we would be able to develop US-Brazilian cooperation on infrastructure investment in a positive way.

#### COMMENT

17. (SBU) The meeting with Rousseff was encouraging in that she acknowledged the importance of coming to closure on Doha, seemed encouraged that the relationship between our leaderships would assist in achieving a final result on the Round, and was supportive of the goals of the CEO Forum. She clearly briefed President Lula well going into the dinner and he too underlined these themes.

18. (U) DOC and NSC delegations cleared this message.